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Turkey

Oilseeds and Products Update

November 2014 Oilseeds Update

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Report Highlights:

Turkish soybean area and production for market year (MY) 2014 are about 35,000 hectares and 130,000 metric tons (MT). Declining world soy prices and increased crushing margins triggered soybean imports during the last four months of MY 2013, and total imports reaching 1.6 million metric tons (MMT) for the marketing year. While soy imports were up twenty-eight percent, soybean meal imports were down twenty eight percent to 728,000 MT. The United States supplied about 350,000 MT of soybean and 242,000 MT of soybean meal. Turkey's production of both poultry and livestock are continuing to grow, pushing the demand up for imported soybean and meal. Turkish poultry meat exporters are benefiting from Russia's ban on Western food, largely in the form of mechanically

deboned meat (MDM).

Post:

Ankara

Soybean

Production

MY2014 domestic soybean planting and production are about 35,000 hectares and 130,000 MT. In Çukurova region, where ninety-five percent of the local soy crop is grown, farmers have switched to corn for the second crop as local soy prices have declined while corn prices have increased.

Consumption

Turkish broiler industry experienced a decline in demand in the domestic market during the first quarter of the marketing year due to negative press on biotech feed items. But domestic demand and exports helped the industry to rebound during the second quarter.

However, during the summer political unrest in the leading market, Iraq, hurt exports of broiler meat, but particularly egg exports. Both industries are export dependent for growth and Iraq is the largest market for Turkish poultry products. About 48 percent of the egg exports and 56 percent of broiler meat exports are to Iraq.

While Turkish broiler meat exports worldwide increased about ten percent during the first nine months of CY 2014, egg exports were down about twenty percent. However, available statics indicate that egg exports recovered significantly during the months of August and September 2014, providing some relief to the industry.

While there were export difficulties to the Middle Eastern countries due to disorder in the region, Russian sanctions on Western countries opened a new venue to the Turkish poultry industry. While egg exports to Russia are still small, poultry meat (all MDM) exports increased significantly and expected to reach about 150,000 MT annually. MDM sales is particularly important for the Turkish poultry industry since the GOT has forbidden the use of MDM in processed poultry products domestically and this item was only used in rendering.

Trade

Total soy bean imports during MY 2013 (Sept/Aug) were up about 28 percent to 1,608,000 MT.

Imports increased during the last four months of the marketing year due to price advantages and increased crushing margins. Paraguay (492,000 MT) and Brazil (415,000 MT) were the leading supplier, followed by the U.S. (350,000 MT) and Ukraine (182,000 MT). Turkey also imported 125,000 MT of soybean from Argentina, 25,000 MT from Ukraine and 19,000 MT from Canada during the same period.

Turkey imported about 123,000 MT of soybean during the month of September. Suppliers were Paraguay (73,000 MT), Brazil (39,000 MT), Ukraine (9,000 MT) and the U.S. (2,500 MT).

Exports were about 7,000 MT during MY 2013. “Turkish Republic of Northern Cyprus” and Netherlands were the main destinations with 2,000 MT each.

| Meal, Soybean Turkey | 2012/2013 | | 2013/2014 | | 2014/2015 | |
|---------------------------------|--|---------------------|--|---------------------|--|---------------------|
| | Market Year Begin: Oct 2012 | | Market Year Begin: Oct 2013 | | Market Year Begin: Oct 2014 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Crush | 335 | 380 | 600 | 600 | 500 | 625 |
| Extr. Rate, 999.9999 | 1. | 0.75 | 1. | 0.766 7 | 1. | 0.76 |
| Beginning Stocks | 292 | 292 | 292 | 280 | 161 | 216 |
| Production | 264 | 285 | 473 | 460 | 394 | 475 |
| MY Imports | 1,030 | 1,015 | 820 | 728 | 1,070 | 800 |
| MY Imp. from U.S. | 317 | 317 | 350 | 242 | 350 | 275 |
| MY Imp. from EU | 237 | 237 | 240 | 18 | 240 | 20 |
| Total Supply | 1,586 | 1,592 | 1,585 | 1,468 | 1,625 | 1,491 |
| MY Exports | 12 | 12 | 46 | 52 | 30 | 60 |
| MY Exp. to EU | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Cons. | 0 | 0 | 0 | 0 | 0 | 0 |
| Food Use Dom. Cons. | 0 | 0 | 0 | 0 | 0 | 0 |
| Feed Waste Dom. Cons. | 1,282 | 1,300 | 1,378 | 1,200 | 1,452 | 1,230 |
| Total Dom. Cons. | 1,282 | 1,300 | 1,378 | 1,200 | 1,452 | 1,230 |
| Ending Stocks | 292 | 280 | 161 | 216 | 143 | 201 |
| Total Distribution | 1,586 | 1,592 | 1,585 | 1,468 | 1,625 | 1,491 |
| CY Imports | 1,100 | 1,087 | 1,100 | 650 | 1,150 | 750 |
| CY Imp. from U.S. | 374 | 374 | 350 | 275 | 350 | 350 |
| CY Exports | 13 | 13 | 45 | 60 | 25 | 65 |
| CY Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| SME | 1,282 | 1,300 | 1,378 | 1,200 | 1,452 | 1,230 |

Soybean Meal

Favorable domestic crushing margins are causing soybean meal production to increase. MY 2013

production increased about 60 percent to 460,000 MT. Provided favorable crushing margins continue, domestic soymeal production is expected to remain high as crushers will continue to utilize the large underutilized capacity.

Turkey has imported a total of 728,000 MT of soybean meal during MY 2013, down about 28 percent compared to last marketing year due to an increase in domestic production as a result of favorable domestic crushing margins. The U.S. and Argentina were among the leading suppliers with 241,000 MT and 232,000 MT, respectively. Other suppliers were Paraguay (132,000 MT), Brazil (105,000 MT) and Spain (18,000 MT).

Turkey's imports of European soy meal have declined drastically following a reduction in import taxes from 15 to 5 percent last year. Total imports of soy meal from the EU during MY 2013 were about 18,000 MT, compared to 235,000 MT in MY 2012. Spain was the only supplier of soymeal from EU to Turkey.

Turkey exported about 49,000 MT of soy meal during MY 2013. Iraq (17,000 MT), "Turkish Republic of Northern Cyprus" (16,600 MT), Georgia (7,700 MT) and Romania (5,500 MT) were the main destination.

| Meal, Soybean Turkey | 2012/2013 | | 2013/2014 | | 2014/2015 | |
|---------------------------------|--|---------------------|--|---------------------|--|---------------------|
| | Market Year Begin: Oct 2012 | | Market Year Begin: Oct 2013 | | Market Year Begin: Oct 2014 | |
| | USDA Officia l | New Post | USDA Officia l | New Post | USDA Officia l | New Post |
| Crush | 335 | 380 | 600 | 600 | 500 | 625 |
| Extr. Rate, 999.9999 | 1. | 0.75 | 1. | 0.766 7 | 1. | 0.76 |
| Beginning Stocks | 292 | 292 | 292 | 280 | 161 | 216 |
| Production | 264 | 285 | 473 | 460 | 394 | 475 |
| MY Imports | 1,030 | 1,015 | 820 | 728 | 1,070 | 800 |
| MY Imp. from U.S. | 317 | 317 | 350 | 242 | 350 | 275 |
| MY Imp. from EU | 237 | 237 | 240 | 18 | 240 | 20 |
| Total Supply | 1,586 | 1,592 | 1,585 | 1,468 | 1,625 | 1,491 |
| MY Exports | 12 | 12 | 46 | 52 | 30 | 60 |
| MY Exp. to EU | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Cons. | 0 | 0 | 0 | 0 | 0 | 0 |
| Food Use Dom. Cons. | 0 | 0 | 0 | 0 | 0 | 0 |
| Feed Waste Dom. Cons. | 1,282 | 1,300 | 1,378 | 1,200 | 1,452 | 1,230 |
| Total Dom. Cons. | 1,282 | 1,300 | 1,378 | 1,200 | 1,452 | 1,230 |

| | | | | | | |
|--------------------|-------|-------|-------|-------|-------|-------|
| Ending Stocks | 292 | 280 | 161 | 216 | 143 | 201 |
| Total Distribution | 1,586 | 1,592 | 1,585 | 1,468 | 1,625 | 1,491 |
| CY Imports | 1,100 | 1,087 | 1,100 | 650 | 1,150 | 750 |
| CY Imp. from U.S. | 374 | 374 | 350 | 275 | 350 | 350 |
| CY Exports | 13 | 13 | 45 | 60 | 25 | 65 |
| CY Exp. to U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| SME | 1,282 | 1,300 | 1,378 | 1,200 | 1,452 | 1,230 |

Soybean Oil

Turkey's leading uses of soy oil is poultry feed and industrial. Turkey's Biosafety Law forbids the use of soy oil from biotech soybeans in food. Turkey imported 8,000 MT of soy oil in MY 2013. Spain and Ukraine were the main suppliers with 5,000 MT and 3,000 MT, respectively. Exports, however, were only about 3,000 MT, of which 2,600 MT were to "Turkish Republic of Northern Cyprus".

| Oil, Soybean Turkey | 2012/2013 | | 2013/2014 | | 2014/2015 | |
|--------------------------------|--|---------------------|--|---------------------|--|---------------------|
| | Market Year Begin: Oct 2012 | | Market Year Begin: Oct 2013 | | Market Year Begin: Oct 2014 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Crush | 335 | 380 | 600 | 600 | 500 | 625 |
| Extr. Rate, 999.9999 | 0. | 0.1842 | 0. | 0.1783 | 0. | 0.176 |
| Beginning Stocks | 0 | 10 | 0 | 5 | 19 | 10 |
| Production | 60 | 70 | 107 | 107 | 89 | 110 |
| MY Imports | 3 | 3 | 8 | 8 | 2 | 8 |
| MY Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| MY Imp. from EU | 0 | 2 | 0 | 5 | 0 | 5 |
| Total Supply | 63 | 83 | 115 | 120 | 110 | 128 |
| MY Exports | 10 | 10 | 4 | 3 | 3 | 5 |
| MY Exp. to EU | 0 | 0 | 0 | 0 | 0 | 0 |
| Industrial Dom. Cons. | 22 | 10 | 40 | 32 | 40 | 35 |
| Food Use Dom. Cons. | 16 | 5 | 29 | 0 | 28 | 0 |
| Feed Waste Dom. Cons. | 15 | 53 | 23 | 75 | 20 | 80 |
| - | 0 | | 0 | | 0 | |
| Total Dom. Cons. | 53 | 68 | 92 | 107 | 88 | 115 |
| Ending Stocks | 0 | 5 | 19 | 10 | 19 | 8 |
| Total Distribution | 63 | 83 | 115 | 120 | 110 | 128 |
| CY Imports | 6 | 6 | 2 | 6 | 2 | 6 |

| | | | | | | |
|-------------------|----|----|---|---|---|---|
| CY Imp. from U.S. | 0 | 0 | 0 | 0 | 0 | 0 |
| CY Exports | 10 | 10 | 3 | 3 | 3 | 4 |
| CY Exp. to U.S. | 0 | | 0 | 0 | 0 | 0 |